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## HOUSE JOINT RESOLUTION NO. 674

Offered January 9, 2019

Prefiled January 8, 2019

*Requesting the Department of Veterans Services and the Department of Taxation to study the feasibility of exempting military retirement income from taxation. Report.*

Patrons—Torian, Bulova, Keam, Thomas and Ward

Referred to Committee on Rules

WHEREAS, over half of the states exempt military retirement income or a portion thereof from taxation; and

WHEREAS, Maryland, North Carolina, and West Virginia, which share a border with Virginia, either partially or fully exempt military retirement income from taxation; and

WHEREAS, Virginia currently exempts military retirement income from taxation only if the taxpayer is a recipient of the Congressional Medal of Honor; and

WHEREAS, Virginia should strive to maintain its reputation as a veteran-friendly state and, more importantly, strive to reward veterans for their service to Virginia and the United States by fully exempting military retirement income from state income tax; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Veterans Services and the Department of Taxation (the Agencies) be requested to convene a joint working group to study the feasibility of exempting military retirement income from taxation.

In conducting their study, the Agencies shall evaluate the effects of phasing in a full exemption of military retirement income over a four-year, five-year, or six-year period or any other time period the Agencies deem appropriate. The Agencies shall consider (i) the impact of fully exempting military retirement income on Virginia's current population of veterans, (ii) the projected effect of such exemption on Virginia's competitiveness as a desirable state of residence for veterans in comparison with other states, (iii) the revenue losses associated with fully exempting military retirement income from state income tax, and (iv) any other factors the Agencies deem relevant. The Agencies shall review any other issues and make recommendations as appropriate.

All agencies of the Commonwealth shall provide assistance to the Agencies for this study upon request.

The Agencies shall complete their meetings by November 30, 2019, and shall submit to the Governor and the General Assembly an executive summary and a report of their findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later than the first day of the 2020 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

INTRODUCED

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